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FENNEMORE CRAIG, P.C.  
Patrick J. Black (No. 017141)  
3003 N. Central Ave.  
Suite 2600  
Phoenix, Arizona 85012  
Attorneys for Bermuda Water Company, Inc.

**BEFORE THE ARIZONA CORPORATION COMMISSION**

IN THE MATTER OF THE  
APPLICATION OF BERMUDA WATER  
COMPANY, AN ARIZONA  
CORPORATION, FOR A  
DETERMINATION OF THE FAIR  
VALUE OF ITS UTILITY PLANTS AND  
PROPERTY AND FOR INCREASES IN  
ITS WATER RATES AND CHARGES  
FOR UTILITY SERVICE BASED  
THEREON.

DOCKET NO: W-01812A-10-0521


**NOTICE OF FILING REJOINDER  
TESTIMONY**

Bermuda Water Company hereby submits this Notice of Filing Rejoinder  
Testimony in the above-referenced matter. Attached hereto as Exhibit A is the Rejoinder  
Testimony of Kirsten Weeks.

RESPECTFULLY SUBMITTED this 20<sup>th</sup> day of October, 2011.

FENNEMORE CRAIG, P.C.

By

  
Patrick J. Black  
3003 North Central Avenue  
Suite 2600  
Phoenix, Arizona 85012  
Attorneys for Bermuda Water Company,  
Inc.

Arizona Corporation Commission  
**DOCKETED**

OCT 20 2011



1 ORIGINAL and thirteen (13) copies of the  
2 foregoing, were filed  
3 this 20<sup>th</sup> day of October, 2011, to:

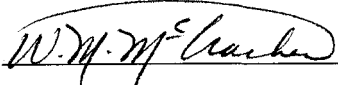
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5 Arizona Corporation Commission  
6 1200 W. Washington St.  
7 Phoenix, AZ 85007

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9 this 20<sup>th</sup> day of October, 2011 to:

10 Teena Jibilian  
11 Administrative Law Judge  
12 Hearing Division  
13 Arizona Corporation Commission  
14 1200 W. Washington St.  
15 Phoenix, AZ 85007

16 Bridget Humphrey  
17 Legal Division  
18 Arizona Corporation Commission  
19 1200 W. Washington St.  
20 Phoenix, AZ 85007

21 Daniel Pozefsky  
22 RUCO  
23 1110 West Washington, Suite 220  
24 Phoenix, Arizona 85007

25 By:   
26

2502576.1

# **EXHIBIT A**

1 FENNEMORE CRAIG, P.C.  
Patrick J. Black (No. 017141)  
2 3003 N. Central Ave.  
Suite 2600  
3 Phoenix, Arizona 85012  
4 Attorneys for Bermuda Water Company, Inc.

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DOCKET NO: W-01812A-10-0521

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19 **REJOINDER TESTIMONY OF**  
20 **KIRSTEN WEEKS**  
21  
22  
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1 **Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS**  
2 **ADDRESS FOR THE RECORD.**

3 **A.** My name is Kirsten Weeks. I am employed as a Manager of Regulatory  
4 Accounting at Utilities, Inc., 2335 Sanders Road, Northbrook, Illinois 60062.

5 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS CASE?**

6 **A.** I am testifying in this proceeding on behalf of the applicant, Bermuda Water  
7 Company ("Bermuda" or "Company").

8 **Q. ARE YOU THE SAME KIRSTEN WEEKS WHO PREVIOUSLY FILED**  
9 **TESTIMONY IN THIS DOCKET?**

10 **A.** Yes. My direct testimony addressed the Company's application on the issues of  
11 rate base, income statement, rate design and cost of capital. My rebuttal testimony  
12 addressed direct testimony submitted by the Utilities Division Staff over rate base,  
13 operating revenue and expenses, revenue requirement, rate of return, rate design  
14 and engineering. I also briefly addressed direct testimony submitted by the  
15 Residential Utility Consumer Office ("RUCO") on cost of capital issues.

16 **Q. DID THE COMPANY FILE SEPARATE REBUTTAL TESTIMONY ON**  
17 **THE COST OF CAPITAL ISSUES RAISED BY RUCO?**

18 **A.** Yes, the Company presented its own cost of capital expert, Ms. Pauline Ahearn,  
19 who responded to RUCO's cost of capital testimony.

20 **Q. WHAT IS THE PURPOSE OF YOUR REJOINDER TESTIMONY?**

21 **A.** To briefly respond to the surrebuttal testimony and recommendations filed by the  
22 Utilities Division Staff on Bermuda's adoption of seven Best Management  
23 Practices ("BMPs") tariffs, as well as to confirm the Company's position with  
24 respect to use of the Florida Leverage Formula in determining a cost of capital.  
25  
26

1 Q. MS. WEEKS, CAN YOU PLEASE SUMMARIZE YOUR REJOINDER TO  
2 THE SURREBUTTAL TESTIMONY SUBMITTED BY MR. MICHLIK  
3 AND MR. SCOTT ON BEHALF OF STAFF?

4 A. Yes. It appears that there are no issues in dispute between the Company and Staff  
5 over rate base, operating revenue and expenses, revenue requirement, rate of return  
6 and rate design. In addition, Bermuda supports Staff's recommendation to adopt  
7 the seven BMPs tariffs identified in Marlin Scott Jr.'s surrebuttal testimony.

8 Q. WHAT ABOUT USE OF THE FLORIDA LEVERAGE FORMULA IN  
9 ADDRESSING COST OF CAPITAL ISSUES?

10 A. Based on the testimony provided by both Commission Staff and RUCO to date, the  
11 Company is withdrawing its request to use the Florida Leverage Formula in this  
12 proceeding.  
13

14 Q. WHAT ABOUT THE COST OF CAPITAL ANALYSIS PROVIDED BY  
15 RUCO?

16 A. The Company is pleased that RUCO is willing to adopt the Company and Staff's  
17 proposed 8.82% cost of capital. No further rejoinder is necessary.

18 Q. DOES YOUR SILENCE ON ANY OTHER ISSUES, MATTERS OF  
19 FINDINGS ADDRESSED IN THE TESTIMONY PROVIDED BY MR.  
20 RIGSBY CONSTITUTE YOUR ACCEPTANCE OF RUCO'S POSITION  
21 ON SUCH ISSUES, MATTERS OR FINDINGS?  
22

23 A. No, it does not.

24 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

25 A. Yes.

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